GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7322
ANSWERED ON:13.05.2005
TRADING SYSTEMS IN STOCK EXCHANGES
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Will the Minister of FINANCE be pleased to state:

(a) different types of trading systems/patterns followed in National Stock Exchange (NSE) and Bombay Stock Exchange (BSE);

(b) if so, the details thereof; system-wise and the difference between each trading system, exchange wise;

(c) whether failure in trading has taken place particularly at the time of fluctuation in movement in many scrips between January and April, 2005;

(d) if so, the details thereof alongwith quantum of losses suffered by investors due to above failure exchange-wise;

(e) the steps taken to fix responsibility in this regard;

(f) the details thereof alongwith the action taken in the matter; and (g) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM) :

(a) The trading system provided by NSE is National Exchange For Automated Trading (NEAT) and by BSE in BSE Online Trading System (BOLT).

(b) There is no difference in the trading system, whether it is NEAT for NSE or BOLT for BSE.

(c) SEB1 has informed that failure in certain groups of leased lines/MLDN lines were noticed in January and February 2005 and on 17-03-2005.

(d) The failures were reported by MTNL/BSNL authorities due to various causes including system failure at the local telephone exchange, ioss of trunk route connectivity between metros, etc., as under:

Ahmedabad region had connectivity issues on 15.01.2005.

Kolkata region had connectivity issues on 14.02.2005.

Delhi region had connectivity issues on 24.02.2005.

Delhi region had connectivity issues on 17.03.2005.

No connectivity issue has come to notice of NSE on 16.03.2005.

SEBi has stated that NSE has informed that there has been no loss to investors due to the brief interruption of trading facility.

(e) to (g) In view of reply to (d) above, do not arise.